

# GIBSON, DUNN & CRUTCHER LLP

A REGISTERED LIMITED LIABILITY PARTNERSHIP  
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PUBLIC VERSION

November 13, 2001

(202) 955-8560

Ms. Gloria Blue  
Executive Secretary, TPSC  
Office of the U.S. Trade Representative  
600 Seventeenth Street, N.W.  
Washington, DC 20508

**Business Confidential Information**  
**Deleted from Pages 2-4**  
**of the Attached Request**

Re: *Potential Action Under Section 203 of the Trade Act of 1974 With Regard to  
Import of Certain Steel – Request to Exclude Chromate-Free Corrosion  
Resistant Steel from Any Import Restrictions*

Dear Ms. Blue:

We are submitting the enclosed request for the exclusion of chromate-free corrosion resistant steel from any import restrictions that the President may impose under Section 203 of the Trade Act of 1974. This request is submitted pursuant to the Trade Policy Staff Committee's October 26, 2001 notice that it will consider such requests. *See Trade Policy Staff Committee; Public Comments on Potential Action Under Section 203 of the Trade Act of 1974 With Regard to Import of Certain Steel*, 66 Fed. Reg. 54,321 (Oct. 26, 2001).

Pursuant to 15 CFR § 2003.6, we request proprietary treatment for the bracketed information included in the business confidential version of this submission, which involves identification of the manufacturer of this product. This information, if publicly released, could be detrimental to the business operations of this company.

PUBLIC VERSION

If you have any questions or need additional information, please feel any one of the undersigned. Thank you for your assistance in the filing of this submission.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Donald Harrison". The signature is fluid and cursive, with a long horizontal stroke at the beginning.

Joseph H. Price  
Donald Harrison  
Andrea Fekkes Dynes  
Gregory C. Gerdes

Attachment

In the Matter of

CERTAIN STEEL PRODUCTS

**PUBLIC VERSION**

Comments submitted pursuant to  
Trade Policy Staff Committee's  
request for public comments,  
66 Fed. Reg. 54,321, 54-322-23 (Oct. 26, 2001)

**Business Confidential Information deleted (in  
brackets) from pages 2-4.**

**Request to Exclude Chromate-Free Corrosion Resistant Steel  
From The Scope of Any Import Restrictions Imposed Under  
Section 203 of the Trade Act of 1974**

Joseph H. Price  
Donald Harrison  
Andrea Fekkes Dynes  
Gregory C. Gerdes

GIBSON, DUNN & CRUTCHER LLP  
1050 Connecticut Ave., N.W.  
Washington, DC 20036  
(202) 955-8500

November 13, 2001

On behalf of [ ], we are submitting the following request to exclude chromate-free corrosion-resistant steel from any import restrictions that the President may impose pursuant to Section 203 of the Trade Act of 1974 (“Section 203”). This request is being submitted in accordance with the Trade Policy Staff Committee’s October 26, 2001 notice that it will consider such exclusion requests. *See Trade Policy Staff Committee; Public Comments on Potential Action Under Section 203 of the Trade Act of 1974 With Regard to Import of Certain Steel*, 66 Fed. Reg. 54,321, 54,322-23 (Oct. 26, 2001).

**a. Product Name:** Chromate-Free Corrosion Resistant Steel

HTSUS Classification: 7225.91.0000, 7225.92.0000, and 7225.99.0090

**b. Technical Description:**

Chromate-free corrosion resistant steel (“Chromate-Free CRS”) is an electrogalvanized (either pure zinc or zinc-nickel) or hot-dip galvanized or precoated steel product that is coated with a coating that is completely chromate-free (that is, the coating does not contain Cr<sup>3+</sup> or Cr<sup>6+</sup>). As noted below, [ ] has a patent for such a completely chromate-free coating.

**c. Basis for Exclusion Request:**

If not treated in some way, electrogalvanized or hot-dip galvanized sheet metal products will generate white dust on the surface when exposed to humidity or moisture. This white dust reduces both the appearance of the product and its ability to prevent rust from occurring in the metal substrate. Typically, chromate-type anticorrosion coatings have been used to prevent this white dust from occurring. However, these chromate-type coatings are not necessarily adequate in preventing white dust from occurring where high humidity and high temperature are present. Further, the use of chromate creates environmental concerns because chromate may be hazardous to handle and products containing chromate may require special disposal

arrangements. Accordingly, as laws and regulations concerning the handling and disposal of hazardous substances increase, concerns with chromate-coated products will increase.

In these circumstances, efforts have been made to avoid the addition of the chromate coating. However, elimination of this chromate coating has markedly decreased the corrosion resistance and painting adhesion of the product. Accordingly, users have been required to accept the disadvantages involved in chromate-coated products.

In response to these concerns, [ ] has developed a corrosion resistant steel with a chromate-free coating that solves the problems noted above, providing a non-chromium, inexpensive anticorrosive coating composition with a higher degree of anticorrosion than chromium-containing products. In fact, [ ] has obtained a United States patent for this chromate-free product. See [

]. As noted in the Abstract for this patent, this patented product and process "provides an inexpensive, non-chromium anticorrosive coating composition and anticorrosion treatment method, which are superior in anticorrosion to conventional chromium containing anticorrosive compositions." [ ] has also pending two related United States patent applications. See [

].

[ ] has not yet sold Chromate-Free CRS to any customers for export to the United States. However, Chromate-Free CRS is potentially useful in a number of applications, such as audio-visual equipment and office automation equipment. Due to the chromate-free coating, this

product's features (such as conductivity, coating adhesion, and rust-resistance) are uniquely suitable for use in such equipment.

In fact, a number of end-users in the United States have expressed an interest in purchasing Chromate-Free CRS, and we understand that one of these, [ ], will separately be filing an exclusion request for a chromium-free product to replace its imports of a corrosion-resistant steel product used to produce heat-shrinkable bands for its television pictures tubes. [ ] is currently importing steel with a chromate coating, but it is exploring the possibility of importing [ ] Chromate-Free CRS.

**d. Names and Locations of Any U.S. or Other Producers:**

To its knowledge, [ ] is the only producer of Chromate-Free CRS. Because [ ] holds the patent for the technology used to manufacture a chromate-free coating, as detailed above, no U.S. steel mill is capable of producing Chromate-Free CRS.

**e. Total U.S. Consumption:**

As indicated above, there have as yet been no exports of Chromate-Free CRS to the United States, and there is no United States production of this product. Accordingly, there is no U.S. consumption of this product. At this point it is not possible to estimate projected U.S. consumption.

**f. Total U.S. Production:**

As noted above, no U.S. steel mill produces Chromate-Free CRS.

**g. Identity and Total U.S. Production of Any Substitute, and the Names of Any U.S. Producers of the Substitute:**

[ ] is not aware of any U.S.-produced product that is a commercially-viable substitute for Chromate-Free CRS.